

STATE OF DELAWARE  
DEPARTMENT OF FINANCE  
DIVISION OF REVENUE  
601 DELAWARE AVENUE  
WILMINGTON, DELAWARE 19899

TAX NEWSGRAM 72-14

January 17, 1971

CIGARETTE TAX

- Increases the tax on cigarettes 3 cents to a total of 14 cents per pack of 20 cigarettes and changes the affixing agent's commission to 3/10 of one cent per pack of 20 cigarettes and also provides for deferred payment of tax by authorized affixing agents up to 30 days.

House Bill 507, as amended by House Amendment No. 1 and No. 2, Special Session, 126th General Assembly approved by Governor Peterson on July 30, 1971 revised Sections 5305 (a), 5316 (b), and 5318 (b) of Title 30 Delaware Code.


The increase in taxes applies to all cigarette sales or use after July 31, 1971 to 14 cents per pack of 20 cigarettes.

The bill provides that all dealers with inventories at August 1, 1971 pay a floor stock tax at 3¢ per pack of 20 cigarettes.

The law provides that affixing agents may request privilege of deferred payment but must provide bond equal to maximum amount of credit to be extended. To be granted credit, the affixing agent must have a written agreement approved by the Director of Revenue. Total deferred payment is limited to amount of bond or 30 days time.

The new rate of commission for affixing agent is 3/10 of one cent per pack of 20 cigarettes.

The law provides the tax be imposed on all packs of cigarettes in the hands of dealers and/or wholesalers on August 1, 1971.

  
J. H. Kennedy  
Director of Revenue

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